



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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## Dominican Republic

### Grain and Feed

### Rice Production Update

### 2005

**Approved by:**

David G. Salmon, Agricultural Counselor  
Dominican Republic

**Prepared by:**

Carlos G. Suarez, Agricultural Specialist

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**Report Highlights:**

Heavy rains and flooding have reduced prospects for the 2005 crop, with production estimates at 275,000 metric tons. Post estimates imports of 45,000 metric tons will be needed to meet normal market requirements.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Santo Domingo [DR1]  
[DR]

Heavy rains in Dominican rice production areas during the May-June 2004 harvest period caused considerable damage to the mature rice crop and reduced total rice production to 280,000 metric tons. Again, heavy rains and flooding during December 2004-January 2005, in the important rice producing regions in the North West or "La Linea" and the North East or "Bajo Juma", delayed and hindered planting and have reduced prospects for the 2005 crop. As a result, Post estimates for 2005 production at 275,000 metric tons, reflecting the smaller planted area and projected late harvest.

Consumption in 2004 showed modest growth over the second half of the year, in spite of domestic price increases. Population growth, cross-border trade with Haiti, general elections, and higher demand from the tourist sector combined to push up consumption to 340,000 metric tons. Price increases were mainly due to the devaluation of the Dominican peso against the U.S. dollar, which fell sharply to RD\$54 to US\$1, before strengthening to RD\$30 to US\$1 late in the year. Post currently expects 2005 consumption to remain flat at 340,000 tons.

Rice imports for 2004 have been adjusted upward to reflect a Taiwanese donation of 10,000 metric tons, received by the Dominican Government and used in their domestic food program. With a smaller rice crop in 2005, Post estimates imports of 45,000 metric tons will be needed to meet normal market requirements. Official Dominican estimates predict a smaller production shortfall, requiring imports of only around 27,000 metric tons. However, industry sources believe larger imports will be needed to satisfy demand. The Secretary of Agriculture announced today that import permits would be issued for 27,300 metric tons of rice for delivery during the February-March 2005 period.

Current Dominican prices at the wholesale level for the two higher-quality rice varieties called "selecto" and "super selecto" are in the range of US\$ 0.60-0.75 per pound. Retailers in turn sell it at about US\$ 1.00-1.20 per pound. The landed cost of higher-quality imported milled rice from the United States is US\$ 0.18-0.23 per pound (the current exchange rate is RD\$30 to US\$1). Rice imports are managed under a tariff quota system, and import permits are required. In-quota imports of about 10,000 tons are expected to be authorized applying normal import duties of 20 percent. Out-of-quota imports would normally pay duties of 99 percent, but these duties were waived in 2004 and may be waived again this year.

## PSD Table

Country	Dominican Republic						
Commodity	Rice, Milled						
	(1000 HA)			(1000 MT)			
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official	Estimate [DA]	USDA Official	Estimate [DA]	USDA Official	Estimate [New]	
Market Year Begin	01/2003		01/2004		01/2005		MM/YYYY
Area Harvested	97	97	82	82	0	80	(1000 HA)
Beginning Stocks	72	63	20	25	60	57	(1000 MT)
Milled Production	315	315	280	280	0	275	(1000 MT)
Rough Production	485	485	431	431	0	423	(1000 MT)
MILLING RATE (.9999)	6500	6500	6500	6500	0	6500	(1000 MT)
TOTAL Imports	8	8	125	92	0	45	(1000 MT)
Jan-Dec Imports	125	8	75	92	0	45	(1000 MT)
Jan-Dec Import U.S.	0	8	0	82	0	45	(1000 MT)
TOTAL SUPPLY	395	386	425	397	60	377	(1000 MT)
TOTAL Exports	20	31	0	0	0	0	(1000 MT)
Jan-Dec Exports	0	31	20	0	0	0	(1000 MT)
TOTAL Dom. Consumption	355	330	365	340	0	340	(1000 MT)
Ending Stocks	20	25	60	57	0	37	(1000 MT)
TOTAL DISTRIBUTION	395	386	425	397	0	377	(1000 MT)